ZEN2/ENVIRONMENTAL PROTECTION AGENCY REGION VI FIRST INTERNATIONAL BUILDING 1445 ROSS AVENUE DALLAS, TX 75270 FAX (214) 665 7257

SUBJ: SITREP-POL SIX, POTENTIAL MAJOR RELEASE CONTAMINATED WATER DISCHARGE, COTTON PATCH BAYOU, HOUSTON SHIP CHANNEL IN THE VICINITY OF AGRIFOS FERTILIZER INC, MISLE CASE NO. 372856, NRC 847936.

1. SITUATION: (ALL TIMES LOCAL)

A. 10 SEP 07 RELEASE TO COTTON PATCH BAYOU REMAINS SECURED AT THIS TIME. POTENTIAL STILL EXISTS FOR ADDITIONAL MAJOR RELEASE DEPENDING ON WX OR INTERRUPTIONS OF PLANT OPERATIONS. MINOR SEEPAGE STOPPED AND CONTAINMENT WALL REPAIRED. NO OTHER BREACHES HAVE BEEN DISCOVERED. PH MONITORING SHOWS POSITIVE COUNTERACTION WITH REGARDS TO SODA ASH INTRODUCTION. AGRIFOS FERTILIZER INC (RP) INITIATED NRC REPORT #848320 CONCERNING SEEPAGE. NO RAIN TODAY HAS ALLOWED WATER LEVELS AND FREEBOARD TO REMAIN CONSTANT. RP HAS PRODUCED A MORE DETAILED WATER BALANCING SHEET. WHICH SHOULD ALLOW FOR BETTER WATER LEVEL MONITORING AND BETTER DETERMINATION OF IMPACTS FROM FUTURE RAIN EVENTS. RRT WAS BRIEFED ON PLANNING EFFORTS ON REDUCING CONTAMINATED WATER LEVELS BY 35 MILLION GALLONS THROUGH ON-SITE TREATMENT AND-OR OFF-SITE WASTE DISPOSAL. RP MADE POSITIVE PROGRESS ON AGREEMENT WITH GULF COAST WASTE DISPOSAL AUTHORITY TO TAKE ONE MILLION GALLONS OF PRE-TREATED WASTE PER DAY. DETAILS OF PRE-TREATMENT AND TRANSPORTATION REMAIN ISSUES WITH THIS OPTION. ADDITIONALLY, RP SCIENTISTS ARE INVESTIGATING WHETHER WASTE WATER FROM FERTILIZER PROCESS CAN BE TREATED AND TURNED INTO LOW GRADE FERTILIZER COMMODITY. HOWEVER, NONE OF THE OPTIONS LISTED ABOVE CAN BE IMPLEMENTED IMMEDIATELY OR OFFER A THROUGH PUT VOLUME WHICH WILL SIGNIFICANTLY REDUCE CONTAMINATED WATER LEVELS IN A TIMELY MANNER. LIKEWISE CONTINGENCY PLANS FOR IMMEDIATE STORAGE FACE SIMILAR LOGISTICAL AND THROUGH-PUT CHALLENGES. EXXON-MOBIL PARTICIPATED IN THE COMMAND STAFF BRIEF AND INDICATED THEY WOULD PROVIDE TECHNICAL EXPERTISE. HOWEVER, EXXON-MOBIL, WHICH IS RESPONSIBLE FOR CLOSING UNUSED GYPSUM STACKS. STATED THEY HAD PREVIOUSLY EXPLORED MANY OF THE SAME DISPOSAL OPTIONS FOR THE CONTAMINATED WATER, AND FOUND AN INJECTION WELL WAS MOST FEASIBLE. EXXON-MOBIL'S INJECTION WELL FOR CURRENT CLOSED GYPSUM STACK IS SCHEDULED TO BE READY FOR OPERATIONS IN OCTOBER. HOWEVER, THE INJECTION WELL PERMITTING IS STILL IN THE PROCEDURAL PROCESS. GYPSUM STACK EXPERTS FROM ARDAMAN AND ASSOCIATES AND TERA HELD A TECHNICAL MEETING TO DISCUSS OPTIONS AND DEVELOP A WRITTEN RISK ASSESSMENT TO BE USED AS A DECISION TOOL IF CONDITIONS DETERIORATE FURTHER. DUE TO THE MINIMAL FREE BOARD, THE TECHNICAL EXPERTS RECOMMENDED CLOSER MONITORING OF GYPSUM STACK STRUCTURES. ONLY NEW OBJECTIVE FOR NEXT OPERATIONAL PERIOD WAS TO IMPLEMENT DAILY STRUCTURAL ASSESSMENTS OF GYPSUM STACKS BY QUALIFIED PERSONNEL.

B. O/S WX: WINDS 8 KNOTS SE, SEAS: CALM, VIS: 10NM, TEMP 81F C. ESTIMATED COST CHARGEABLE TO THE FUND IS AS FOLLOWS:

CONTRACTOR COSTS: \$0,000.00 COAST GUARD COSTS: \$3,905.98 OTHER AGENCIES: \$0,000.00 TOTAL COSTS: \$0,000.00 FUNDS REMAINING: \$21,094.02

ACCT. DATA: 2/H/701/872/80/0/C07152/37170/2523

RESPONSIBLE PARTY: AGRIFOS FERTILIZER INC

- D. MEDIA INTEREST: NONE.
- 2. ACTIONS TAKEN.
- A. 9 SEP 0800 OPS BRIEFING CONDUCTED.
- B. 0830 COMMAND AND STAFF MEETING.
- C. 0900 CG MEETING WITH EXXON-MOBIL
- D. 1200 RRT BRIEF.
- E. 1500 TECHNICAL EXPERT MEETING
- F. 1530 TACTICS MEETING HELD.
- H. 1700 PLANNING MEETING HELD.
- 3. FUTURE PLANS AND RECOMMENDATIONS.
- A. 11 SEPT 2007 0800 OPERATIONS MEETING.
- B. TREATMENT AND STORAGE WORK GROUPS CONTINUE WORKING ON UC OBJECTIVES TO FIND VIABLE SOLUTION TO MITIGATE EMERGENCY.
- 4. CASE PENDING.